



Greater Taung Local Municipality
Annual financial statements
for the year ended 30 June 2009

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

General Information

Nature of business and principal activities

Greater Taung Local Municipality is a local municipality performing the functions as set out in the Constitution (Act no.105 Of 1996).

Mayoral committee

Executive Mayor

Councillors

Councillor B.L. Mahlangu
Councillor K. Morwagashwe
Councillor I. Makgalemane
Councillor M. Mabe
Councillor O. Oliphant
Councillor K. Malepe
Councillor B. Mogakwe
Councillor K. Mamapula
Councillor M. Masia
Councillor M. Skweit
Councillor B. Madumo
Councillor T. Monchonyane
Councillor K. Daumas
Councillor K. Basson
Councillor G. Rapati
Councillor S. Maine
Councillor O. Matong
Councillor D. Maselo
Councillor O. Phemelo
Councillor T. Malepe
Councillor K. Moditse
Councillor T. Moiloa
Councillor O. Morwalela
Councillor N. Mokopela
Councillor R. Mokoto
Councillor N. Mothibi
Councillor G. Montsho
Councillor H. Letshabo
Councillor N. Nondeyi
Councillor M. Oliphant
Councillor A. Otswelang
Councillor D. Sejamoholo
Councillor M. Swabane
Councillor T. Serebolo
Councillor G. Tshipo
Councillor K. Teisho
Councillor L. Tong
Councillor K. Kelaotswe
Councillor A. Scholtz
Councillors T. Makhubo
Councillor K. Galodikwe
Councillor T. Matlapeng
Councillor D. Itumeleng

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

General Information

	Councillor M. Kgosieng
Grading of local authority	Grade 3
Accounting Officer	Mr C. Du Plessis, BA, BA(Hons), MBA - (Acting)
Chief Finance Officer (CFO)	Mr C. Du Plessis, BA, BA (Hons), MBA - (Acting)
Business address	Taung Municipal Offices Station Street Taung 8580
Postal address	Private Bag X1048 Taung Station 8580
Bankers	ABSA Bank - Vryburg
Auditors	Auditor - General
Attorneys	Du Plessis & Viviers Attorneys PO Box 2010 Vryburg 8600 Tel: 053 927 1045

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Index

The reports and statements set out below comprise the annual financial statements presented to the Council:

Index	Page
Accounting Officer's Responsibilities and Approval	5
Report of the Auditor General	6
Statement of Financial Position	7
Statement of Financial Performance	8
Statement of Changes in Net Assets	9
Cash Flow Statement	10
Accounting Policies	11 - 24
Notes to the Annual Financial Statements	25 - 45
Appendixes:	
Appendix A: Schedule of External loans	46
Appendix B: Analysis of Property, Plant and Equipment	49
Appendix C: Segmental analysis of Property, Plant and Equipment	54
Appendix D: Segmental Statement of Financial Performance	56
Appendix E(1): Actual versus Budget (Revenue and Expenditure)	58
Appendix E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)	62
Appendix F: Disclosure of Grants and Subsidies in terms of the Municipal Finance Management Act	66

Abbreviations

GTLM	Greater Taung Local Municipality
COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
CJMM	City of Johannesburg Metropolitan Municipality
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPAS	International Public Sector Accounting Standards

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Index

ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
GRAP	Generally Recognised Accounting Practice

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Accounting Officer's Responsibilities and Approval

I am responsible for the preparation of these annual financial statements, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 23 and 24 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of the Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements set out on pages 6 to 45, which have been prepared on the going concern basis, were approved by the accounting officer and were signed on its behalf by:

Accounting Officer



AUDITOR - GENERAL

Report of the Auditor General

To the Council of Greater Taung Local Municipality

Report on the Financial Statements

This report will be inserted after the audit of the annual financial statements.

Auditor - General

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Statement of Financial Position

	Note(s)	2009 R	2008 R
Assets			
Current Assets			
Inventories	4	360,361	363,193
Trade and other receivables	5	191,696	395,277
Other receivables from non-exchange transactions, including taxes and transfers	6	5,736,912	5,183,984
Consumer debtors	7	4,252,203	7,560,831
Cash and cash equivalents	8	27,238,420	32,129,519
		37,779,592	45,632,804
Non-Current Assets			
Property, plant and equipment	3	94,781,362	70,636,929
Non-Current Assets		94,781,362	70,636,929
Current Assets		37,779,592	45,632,804
Non-current assets held for sale (and) (assets of disposal groups)		-	-
Total Assets		132,560,954	116,269,733
Liabilities			
Current Liabilities			
Trade and other payables	15	3,119,805	2,525,604
Consumer deposits	16	121,890	115,956
Unspent conditional grants and receipts	13	3,334,483	1,960,412
Provisions	14	2,153,378	1,498,726
Sundry Creditors		26,883	-
		8,756,439	6,100,698
Non-Current Liabilities			
Finance lease obligation	12	1,336,217	-
Non-Current Liabilities		1,336,217	-
Current Liabilities		8,756,439	6,100,698
Liabilities of disposal groups		-	-
Total Liabilities		10,092,656	6,100,698
Assets		132,560,954	116,269,733
Liabilities		(10,092,656)	(6,100,698)
Net Assets		122,468,298	110,169,035
Net Assets			
Reserves			
Revaluation reserve		8,472,956	-
IMFO Statutory Funds written off	9	-	8,013,710
Capital replacement reserve	10	6,273,978	-
Government grant reserve		29,035,263	-
IMFO "Trust Funds" written off	11	-	5,272,381
Accumulated surplus		78,686,101	96,882,944
Total Net Assets		122,468,298	110,169,035

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Statement of Financial Performance

	Note(s)	2009 R	2008 R
Revenue			
Rendering of services		22,996	25,600
Property rates	18	1,020,865	3,222,309
Service charges	19	3,990,596	3,711,370
Property rates - penalties imposed and collection		407,215	475,051
Rental Income		295,840	245,568
Interest received		801,038	759,546
Income from agency services		75,378	55,255
Licences and permits		915	1,680
Government grants	20	67,847,230	36,445,809
Miscellaneous other revenue		-	17,761
Administration and management fees received		53,895	156,350
Other income		92,760	189,326
Interest received - investment		4,317,225	3,062,352
Total Revenue		78,925,953	48,367,977
Expenditure			
Employee related costs	23	(22,819,414)	(17,101,033)
Remuneration of councillors	24	(9,441,997)	(8,030,469)
Administration	25	(468,617)	(473,620)
Depreciation and amortisation	27	(3,245,037)	(3,460,686)
Finance costs	28	(1,255,061)	(825,702)
Bad debts	26	-	(1,231,101)
Repairs and maintenance		(2,603,955)	(2,478,914)
Bulk purchases	31	(1,937,855)	(1,502,589)
Contracted services	30	(942,209)	(1,048,544)
General Expenses	22	(25,306,747)	(18,048,346)
Total Expenditure		(68,020,892)	(54,201,004)
Revenue		78,925,953	48,367,977
Expenditure		(68,020,892)	(54,201,004)
Other		-	-
Surplus (deficit) for the year		10,905,061	(5,833,027)
Attributable to:			
Net Asset holders of the controlling entity		10,905,061	(5,833,027)

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Statement of Changes in Net Assets

	Share capital / contributions from owners R	Revaluation reserve R	IMFO Statutory Funds R	Capital replacement reserve R	Government grant reserve R	IMFO "Trust Funds" R	Total reserves R	Accumulated surplus R	Total as at
Balance at 01 July 2008	-	-	5,288,875	-	-	5,558,549	10,847,424	24,126,383	34,972,899
Changes in net assets									
Depreciation	-	-	-	-	-	-	-	3,460,686	3,460,686
Write back redemption of loans	-	-	-	-	-	-	-	(1,433,276)	(1,433,276)
Adjustments against	-	-	-	-	-	-	-	72,756,562	72,756,562
Other 1	-	-	2,724,835	-	-	(286,168)	2,438,667	-	2,438,667
Write bank Contribution to revolving fund	-	-	-	-	-	-	-	338,033	338,033
Other 3	-	-	-	-	-	-	-	3,467,583	3,467,583
Net income (expenses) recognised directly in net assets	-	-	2,724,835	-	-	(286,168)	2,438,667	78,589,588	81,036,244
Surplus for the year	-	-	-	-	-	-	-	(5,833,027)	(5,833,027)
Total recognised income and expenses for the year	-	-	2,724,835	-	-	(286,168)	2,438,667	72,756,561	75,178,370
Total changes	-	-	2,724,835	-	-	(286,168)	2,438,667	72,756,561	75,178,370
Balance at 01 July 2008	-	-	8,013,710	-	-	5,272,381	13,286,091	96,882,944	110,172,825
Changes in net assets									
Surplus for the year	-	-	-	-	-	-	-	10,905,061	10,905,061
Transfer of income surplus to trust capital	-	-	-	-	(1,339,556)	-	(1,339,556)	-	(1,339,556)
Created ito GRAP	-	-	-	6,273,978	30,374,819	-	36,648,797	-	36,648,797
Adjustments against	-	-	-	-	-	-	-	(29,101,904)	(29,101,904)
Written off ito GRAP	-	-	(8,013,710)	-	-	(5,272,381)	(13,286,091)	-	(13,286,091)
Revaluation of Land & Buildings	-	8,472,956	-	-	-	-	8,472,956	-	8,472,956
Total changes	-	8,472,956	(8,013,710)	6,273,978	29,035,263	(5,272,381)	30,496,106	(18,196,843)	12,224,492
Balance at 30 June 2009	-	8,472,956	-	6,273,978	29,035,263	-	43,782,197	78,686,101	122,401,315
Note(s)			9	10		11			

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Cash Flow Statement

	Note(s)	2009 R	2008 R
Cash flows from operating activities			
Cash generated from operations	32	11,096,232	982,361
Interest income		4,317,225	3,062,352
Finance costs		(1,255,061)	(825,702)
Net cash from operating activities		14,158,396	3,219,011
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(20,418,529)	-
Cash flows from financing activities			
Movement in other liability		26,883	-
Movement in Consumer deposits		5,934	7,618
Finance lease payments		1,336,217	-
Net cash from financing activities		1,369,034	7,618
Total cash movement for the year		(4,891,099)	3,226,629
Cash at the beginning of the year		32,129,519	28,902,890
Net cash and cash equivalents at the end of the year	8	27,238,420	32,129,519

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

The standards are summarised as follows:

Standard of GRAP

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 5	Borrowing Cost
GRAP 6	Consolidated and separate Financial Statements
GRAP 7	Accounting for Investments in Associates
GRAP 9	Revenue from Exchange transactions
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the reporting date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liability and Contingent Assets
GRAP 100	Non-current Assets held for sale and discontinued operations
GRAP 102	Intangible Assets
IAS 19	Employee Benefits
IAS 32	Financial Instruments: Presentation
IAS 36	Impairment of Assets
IAS 39	Financial Instruments: Recognition and measurement
IFRS 7	Financial Instruments: Disclosure
IPSAS 20	Related Parties
IPSAS 21	Impairment non-cash generating Assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP and GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below. These accounting policies are consistent with the previous period, except for the changes set out underneath for: First-time adoption of Generally Recognised Accounting Practices (GRAP).

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period, except for the changes set out in note 2 Changes in accounting policy

1.1 First time implementation of GRAP

In accordance with section 122(3) of the Municipal Finance Management Act (Act No. 56 of 2003), the Municipality has adopted Standards of GRAP issued by the Accounting Standards Board during the financial year. GRAP standards are fundamentally different to the fund accounting policies adopted in previous financial years. Comparative amounts have been restated retrospectively to the extent possible. The effect of the change in accounting policy arising from the implementation of GRAP is set out in Note 30.

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.1 First time implementation of GRAP (continued)

The Municipality has also taken advantage the three year transitional period granted in Directive 4 - Transitional Provisions for medium and low capacity Municipalities issued by The Accounting Standards Board for the initial adoption of GRAP 12, 16, 17 and 102.

The Municipality may have transactions, events or balances that are outside the ambit of GRAP but which are included in Standards of International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants – Public Sector Committee, International Accounting Standards (IAS) issued by the International Accounting Standards Board or Generally Accepted Accounting Practice issued by the South African Accounting Practices Board and the South African Institute of Chartered Accountants. The Municipality has not complied with the measurement, recognition and disclosure requirements of those accounting standards.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP or GRAP.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 14 - Provisions.

1.3 Presentation Currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.4 Going Concern Assumption

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

1.5 Comparative Information

Budget information in accordance with GRAP 1 and 24, has been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.6 Investment property

Investment property is property held to earn rentals. Investment property is stated at fair value and a valuation will be performed every four years, together with the general valuations, based on the income capitalisation method. The fair value is determined from the ability of the property to produce a rental income, taking into account the expenses to produce the rental income which is capitalised at a market-related rate and taking into account the risk, age and condition of the property with existing buildings. Any surpluses that occur due to revaluation of the investment property are directly allocated to the capital funds. Investment property buildings will be depreciated over 30 years on the straight line method.

1.7 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Land is not depreciated as it is deemed to have an indefinite life.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

Where impaired land and buildings are revalued, the increase in value of land and buildings are recognised as revenue to the extent that it reverses the impairment loss previously recognised as an expense.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

Fixed assets for which the historical expenditure can be directly substantiated with documentary proof, will be brought into account by the Depreciated Cost methodology. Where no historical information is available the Depreciated Replacement Cost methodology will be used to bring the asset into the financial system at fair value. Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives:

Item	Average useful life
Buildings	30
Furniture and fixtures	7 - 10
Motor vehicles	
• Specialist vehicles	10
• Other vehicles	5
Office equipment	3-7
Leasehold assets	
• Leased Assets	22
Infrastructure	
• Roads and paving	30
• Electricity	20 - 30

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.7 Property, plant and equipment (continued)

• Water	15 - 20
• Sewerage	15 - 20
• Housing	30
• Pedestrian Malls	30
Community	
• Improvements	30
• Recreational Facilities	20 - 30
• Security	5
Other property, plant and equipment	
• Other assets	2 - 5
Bins and containers	5
Water network	15 - 20

The residual value and the useful life of each asset are reviewed at each financial period-end.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is recognised in the Statement of Financial Performance. The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

1.8 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.8 Intangible assets (continued)

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a definite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years

1.9 Financial instruments

Initial recognition and measurement

Financial instruments are measured initially at fair value.

Subsequent measurement

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held to maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with IAS 39.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.9 Financial instruments (continued)

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessor

The municipality recognises finance lease receivables on the statement of financial position.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the .

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in the statement of financial performance.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.11 Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.11 Inventories (continued)

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Impairment of assets

The municipality assesses at each statement of financial position date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also:

- Tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- Tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- First, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- Then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

Accounting Policies

1.12 Impairment of assets (continued)

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the municipality's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to statement of financial position date where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in the statement of financial performance over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the municipality is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In the statement of financial performance, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.13 Employee benefits (continued)

obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses, plus the present value of available refunds and reduction in future contributions to the plan.

Other post retirement obligations

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

1.14 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 34.

1.15 Government grants

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.15 Government grants (continued)

Government grants are recognised when there is reasonable assurance that:

- the municipality will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the income statement (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.16 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.17 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.18 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.19 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote;
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.20 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.20 Fruitless and wasteful expenditure (continued)

statement of financial performance.

1.21 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including

- M.C.(a) this Act; or
- M.C.(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- M.C.(c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as bad debt and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.22 Reserves

Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of a Council resolution. A corresponding amount is transferred to a designated CRR bank or investment account. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised. Interest earned on the investment must be capitalised to the CRR through the Statement of Performance.

Capitalisation reserve

On the implementation of GAMAP/GRAP, the balance of certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment, were transferred to a Capitalisation Reserve rather than the accumulated surplus/deficit, as in prior years, in terms of a directive (Circular No. 18) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation charge that will be incurred over the useful

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.22 Reserves (continued)

lives of these items of property, plant and equipment is offset by transfers from this reserve to the accumulated surplus/deficit.

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/deficit.

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/deficit.

Government grant reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/deficit to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.

The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/deficit.

Donations and public contributions reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/deficit to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/deficit.

Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the Statement of Financial Performance.

1.23 Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

1.24 Conditional Grants and receipts

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.24 Conditional Grants and receipts (continued)

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.25 Related parties

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. It includes full-time councillors, being the Mayor, Speaker and members of the Executive Committee. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.26 Revenue

Revenue from Exchange Transactions

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Interest and rentals are recognised on a time proportion basis.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Revenue from the sale of goods is recognised when the risk is passed to the consumer.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised

Revenue from non-exchange transactions

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.26 Revenue (continued)

experience of amounts collected.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

1.27 Events after the reporting date

Recognised amounts in the financial statements are adjusted to reflect events arising after the balance sheet date that provide evidence of conditions that existed at the balance sheet date. Events after the balance sheet date that are indicative of conditions that arose after the balance sheet date are dealt with by way of a note to the financial statements.

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
--	-----------	-----------

2. Changes in accounting policy

The annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards.

- **GRAP 1** Presentation of Financial Statements
- **GRAP 2** Cash Flow Statements
- **GRAP 3** Accounting Policies, Changes in Accounting Estimates and Errors
- **GRAP 5** Borrowing Cost
- **GRAP 6** Consolidated and Seperate Financial Statements
- **GRAP 7** Investments in Associates
- **GRAP 9** Revenue from Exchange Transactions
- **GRAP 11** Construction Contracts
- **GRAP 12** Inventories
- **GRAP 13** Leases
- **GRAP 14** Events After the Reporting Date
- **GRAP 16** Investment Property
- **GRAP 17** Property, Plant and Equipment
- **GRAP 19** Provisions, Contingent Liabilities and Contingent Assets
- **GRAP 100** Non-current Assets Held for Sale and Discontinued Operations
- **GRAP 102** Intangible Assets
- **IAS 19** Employee Benefits
- **IAS 32** Financial Instruments: Presentation
- **IAS 39** Financial Instruments: Recognition and measurement
- **IFRS 7** Financial Instruments: Disclosure
- **IAS 36** Impairment of assets
- **IPSAS 20** Related Parties
- **IPSAS 21** Impairment non-cash generating assets
- **IFRS5** Non-current Assets Held for Sale and Discontinued Operations

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 30 June 2009 is as follows:

Statement Of Financial Position

Stock on hand - Water

Adjustment	2,453	-
------------	-------	---

Statement Of Financial Performance

Water stock

Adjustment	2,453	-
------------	-------	---

Contribution Revolving Fund written back

Previously stated	-	338,034
Adjustment	-	(338,034)
	-	-

3. Property, plant and equipment

2009	2008
------	------

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

				2009 R	2008 R
3. Property, plant and equipment (continued)					
	Cost / Valuation	Accumulate d depreciati on	Carrying value	Cost / Valuation	Accumulate d depreciati on
Land	3,913,200	-	3,913,200	-	-
Buildings	35,520,086	-	35,520,086	29,729,344	-
Furniture and fixtures	777,136	(270,841)	506,295	694,124	(157,505)
Motor vehicles	8,976,818	(4,688,638)	4,288,180	7,540,317	(3,142,160)
Office equipment	1,799,740	(1,085,167)	714,573	1,511,759	(732,090)
IT equipment	277,102	(2,778)	274,324	-	-
Computer software	10,981	(1,354)	9,627	-	-
Infrastructure	48,058,955	(5,717,808)	42,341,147	34,997,058	(4,313,516)
Community	5,894,443	(3,158,698)	2,735,745	3,429,567	(3,081,683)
Other property, plant and equipment	7,544,719	(4,121,412)	3,423,307	7,465,211	(3,362,377)
Bins and containers	76,110	(32,452)	43,658	76,110	(17,230)
Other leased Assets # 1	1,849,516	(838,296)	1,011,220	-	-
Total	114,698,806	(19,917,444)	94,781,362	85,443,490	(14,806,561)
				70,636,929	

Reconciliation of property, plant and equipment - 2009

	Opening Balance	Additions	Revaluation s	Depreciation	Total
Land	-	-	3,913,200	-	3,913,200
Buildings	29,729,344	1,230,986	4,559,756	-	35,520,086
Furniture and fixtures	536,619	83,012	-	(113,336)	506,295
Motor vehicles	4,398,157	1,436,501	-	(1,546,478)	4,288,180
Office equipment	779,669	3,658	-	(68,754)	714,573
IT equipment	-	277,102	-	(2,778)	274,324
Computer software	-	10,981	-	(1,354)	9,627
Infrastructure	30,683,542	13,061,897	-	(1,404,292)	42,341,147
Community	347,884	2,464,876	-	(77,015)	2,735,745
Other property, plant and equipment	4,102,834	-	-	(679,527)	3,423,307
Bins and containers	58,880	-	-	(15,222)	43,658
Finance leased Assets	-	1,849,516	-	(838,296)	1,011,220
	70,636,929	20,418,529	8,472,956	(4,747,052)	94,781,362

Reconciliation of property, plant and equipment - 2008

	Opening Balance	Other changes, movements	Depreciation	Total
Buildings	-	29,729,344	-	29,729,344
Furniture and fixtures	-	577,834	(41,215)	536,619
Motor vehicles	-	5,548,926	(1,150,769)	4,398,157
Office equipment	-	1,092,330	(312,661)	779,669
Infrastructure	-	31,808,224	(1,124,682)	30,683,542
Community	-	398,210	(50,326)	347,884
Other property, plant and equipment	-	4,872,361	(769,527)	4,102,834
Bins and containers	-	70,386	(11,506)	58,880

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
3. Property, plant and equipment (continued)		
Other property, plant and equipment	3,847,866 (3,847,866) -	-
	3,847,866 70,249,749 (3,460,686) 70,636,929	
Revaluations		
The effective date of the revaluations was 01 July 2005. Revaluations were performed by independent valuers, A v d Westhuizen and E Mathews. A v d Westhuizen and E Mathews are not connected to the municipality.		
Land and buildings are re-valued independently every 4 years.		
The valuation was performed using the discounted cash flow approach (other, describe, e.g. recent arms length transaction).		
A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.		
4. Inventories		
Inventories	283,067	322,035
Water	2,453	-
Fuel (Diesel, Petrol)	74,841	41,158
	360,361	363,193
5. Trade and other receivables		
Prepayments (if immaterial)	43,940	-
Other receivables	147,756	395,277
	191,696	395,277
6. Other receivables from non-exchange transactions, including taxes and transfers		
VAT	5,736,912	5,183,984
7. Consumer debtors		
Gross balances		
Rates	7,095,245	9,040,551
Electricity	755,813	855,009
Water	677,588	644,263
Sewerage	2,212,326	1,792,517
Refuse	2,398,414	1,988,959
Other (Rental, Consolidated Debt and Miscellaneous)	2,563,910	1,907,123
	15,703,296	16,228,422
Less: Provision for bad debts		
Rates	(6,032,265)	(5,284,586)
Electricity	(274,367)	(342,913)
Water	(590,474)	(359,383)
Sewerage	(1,639,779)	(946,176)
Refuse	(1,745,323)	(949,250)

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
7. Consumer debtors (continued)		
Other (Rental, Consolidated Debt and Miscellaneous)	(1,168,885)	(785,283)
	(11,451,093)	(8,667,591)
Net balance		
Rates	1,062,980	3,755,965
Electricity	481,446	512,096
Water	87,114	284,880
Sewerage	572,547	846,341
Refuse	653,091	1,039,709
Other (Rental, Consolidated Debt and Miscellaneous)	1,395,025	1,121,840
	4,252,203	7,560,831
Rates		
Current (0 -30 days)	60,813	111,672
31 - 60 days	243,354	246,790
61 - 90 days	237,955	254,122
91 - 120 days	233,202	242,021
> 180 days	6,319,921	8,185,946
Less: Provision	(6,032,265)	(5,284,586)
	1,062,980	3,755,965
Electricity		
Current (0 -30 days)	155,454	111,799
31 - 60 days	56,817	179,834
61 - 90 days	46,796	27,079
91 - 120 days	44,122	26,826
121 - 180 days	40,696	509,471
> 180 days	411,928	-
Less: Provision	(274,367)	(342,913)
	481,446	512,096
Water		
Current (0 -30 days)	24,132	20,188
31 - 60 days	17,933	33,641
61 - 90 days	14,112	15,196
91 - 120 days	14,026	11,395
121 - 180 days	10,265	563,843
> 180 days	597,120	-
Less: Provision	(590,474)	(359,383)
	87,114	284,880
Sewerage		
Current (0 -30 days)	114,612	99,268
31 - 60 days	79,233	138,770
61 - 90 days	79,881	226,462
91 - 120 days	78,323	86,526
121 - 180 days	80,083	1,241,491

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
7. Consumer debtors (continued)		
> 180 days	1,780,194	-
Less: Provision	(1,639,779)	(946,176)
	572,547	846,341
Refuse		
Current (0 -30 days)	130,053	231,789
31 - 60 days	111,208	197,640
61 - 90 days	103,524	114,894
91 - 120 days	88,227	106,212
121 - 180 days	86,052	1,338,424
> 180 days	1,879,350	-
Less: Provision	(1,745,323)	(949,250)
	653,091	1,039,709
Other		
Current (0 -30 days)	24,092	480,097
31 - 60 days	178,964	136,877
61 - 90 days	371,222	16,571
91 - 120 days	16,304	115,207
121 - 180 days	1,973,327	1,158,371
Less: Provision	(1,168,884)	(785,283)
	1,395,025	1,121,840
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	305,731	692,615
31 - 60 days	396,930	612,992
61 - 90 days	729,576	429,644
91 - 120 days	372,033	386,217
121 - 180 days	352,036	-
> 180 days	10,699,944	8,534,489
	12,856,250	10,655,957
Less: Provision for bad debts	(11,451,092)	(8,667,591)
	1,405,158	1,988,366
Industrial/ commercial		
Current (0 -30 days)	81,741	46,937
31 - 60 days	44,499	41,541
61 - 90 days	34,729	29,116
91 - 120 days	32,830	26,173
121 - 180 days	31,253	-
> 180 days	979,504	578,367
	1,204,556	722,134
National and provincial government		
Current (0 -30 days)	121,685	315,261

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
7. Consumer debtors (continued)		
31 - 60 days	246,081	279,019
61 - 90 days	89,184	195,564
91 - 120 days	69,342	175,797
121 - 180 days	69,425	-
> 180 days	1,036,681	3,884,690
	1,632,398	4,850,331
Total		
Current (0 -30 days)	509,156	1,054,813
31 - 60 days	687,509	933,552
61 - 90 days	853,490	654,324
91 - 120 days	474,204	588,187
121 - 180 days	8,510,344	-
> 180 days	4,668,592	12,997,546
	15,703,295	16,228,422
Less: Provision for bad debts	(11,451,092)	(8,667,591)
	4,252,203	7,560,831
Reconciliation of bad debt provision		
Balance at beginning of the year	8,667,591	13,008,955
Contributions to provision	2,783,502	1,231,101
Bad debts written off against provision	-	(5,572,465)
	11,451,093	8,667,591
8. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	-	500
Bank balances	2,574,860	2,374,380
Short-term deposits	24,663,560	29,754,639
	27,238,420	32,129,519

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2009	30 June 2008	30 June 2007	30 June 2009	30 June 2008	30 June 2007
ABSA CURRENT : 26- 5056-0046	2,278,627	-	-	1,135,028	3,221,679	-
ABSA CURRENT : 40- 6484-7486	1,448,305	-	-	1,448,305	486,773	-
ABSA FIXED : 2063813884	7,157,322	-	-	7,157,322	6,435,419	-
ABSA FIXED : 2063507897	3,834,884	-	-	3,834,884	3,448,089	-

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

				2009 R	2008 R	
8. Cash and cash equivalents (continued)						
Trust Keeton : ABSA	6,773	-	-	6,773	6,054	-
20635072						
HOUSING (R) : ABSA	36,086	-	-	36,086	32,446	-
206509865						
LED (Beehive): FNB	1,862,363	-	-	1,862,363	1,679,410	-
740890285						
Working Capit: FNB	1,113,857	-	-	1,113,857	1,359,198	-
740890284						
Working Capit: Nedbank	391,730	-	-	391,730	-	-
160777769921						
SDL Fund : NED	48,593	-	-	48,593	44,273	-
160777769925;						
Eco Green : NED	39,142	-	-	39,142	35,662	-
160777769928						
Maintenance - STA	514,264	-	-	514,264	467,580	-
0485600650						
Equipment : NED	1,316,706	-	-	1,316,706	1,199,652	-
160777769923						
INDIGENT : NED	13,612	-	-	13,612	12,767	-
37667500223;						
Insurance F : NED	65,819	-	-	65,819	59,968	-
1607777699						
AFF ACCOUNT : ABSA	1,635,978	-	-	1,635,978	2,578,119	-
2064601519						
AFF ACCOUNT : ABSA	1,237,994	-	-	1,237,994	-	-
2065986332						
Council Cham : ABSA	-	-	-	-	2,646,627	-
20645741						
ABSA FIXED :	2,331,464	-	-	2,331,464	2,096,308	-
2063813842;						
ABSA FIXED :	1,381,606	-	-	1,381,606	5,748,438	-
2063484566;						
ABSA FIXED :	496,749	-	-	496,749	825,957	-
2066023614;						
STANDARD BANK :	2,638	-	-	2,638	2,271	-
48685880-001						
Establishment:NED	1,181,429	-	-	1,181,429	1,076,400	-
1607777699						
Total	28,395,941	-	-	27,252,342	33,463,090	-

9. IMFO Statutory Funds

Statutory funds & reserves ito IMFO	6,908,703	8,013,710
Written off in terms of GRAP Conversion to Accumalated Surplus	(6,908,703)	-
	<u>-</u>	<u>8,013,710</u>

10. Capital replacement reserve

Transfer of funds from Revolving fund ito GRAP	<u>6,273,978</u>	<u>-</u>
--	------------------	----------

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
11. IMFO "Trust Funds"		
Trust Funds ito IMFO	5,272,381	5,272,381
Written off in terms of GRAP Conversion	(5,272,381)	-
	<u>-</u>	<u>5,272,381</u>
12. Finance lease obligation		
Minimum lease payments due		
- within one year	546,864	-
- in second to fifth year inclusive	1,127,443	-
	<u>1,674,307</u>	<u>-</u>
less: future finance charges	(338,093)	-
Present value of minimum lease payments	<u>1,336,214</u>	<u>-</u>
Present value of minimum lease payments due		
- within one year	<u>372,856</u>	<u>-</u>
It is Greater Taung Local Municipality's policy to lease certain [property]motor vehicles and equipment under finance leases.		
The average lease term was 5 years and the average effective borrowing rate was 13% (2008: 13%).		
Interest rates are fixed at the contract date. All leases escalate at 15% p.a and no arrangements have been entered into for contingent rent.		
The Greater Taung Local Municipality's's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note .		
13. Unspent conditional grants and receipts		
Explain / disclose.		
Deferred income comprises:		
Conditional grants and receipts		
Taung Flood Damaged and Roads	1,334,071	-
SASSA	40,000	-
MIG	1,960,412	1,960,412
	<u>3,334,483</u>	<u>1,960,412</u>
Movement during the year		
Balance at the beginning of the year	1,960,412	3,808,972
Additions during the year	15,441,097	9,711,298
Income recognition during the year	(14,067,026)	(11,559,858)
	<u>3,334,483</u>	<u>1,960,412</u>

See note 20 for reconciliation of grants from National/Provincial Government.

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
--	-----------	-----------

14. Provisions

Reconciliation of provisions - 2009

	Opening Balance	Additions	Utilised during the year	Total
Leave Accrual	1,498,726	734,045	(79,393)	2,153,378

Reconciliation of provisions - 2008

	Opening Balance	Additions	Total
Leave Accrual	1,340,034	158,692	1,498,726

15. Trade and other payables

Trade payables	-	247,739
Amounts received in advance	115,453	-
Retentions	741,268	-
Accruals	2,170,901	2,277,865
Accrued expense - SARS	34,009	-
Deposits received	34,300	-
Other creditors	23,874	-
	3,119,805	2,525,604

16. Consumer deposits

Electricity	121,890	115,956
-------------	---------	---------

17. Revenue

Rendering of services	5,441,672	7,434,330
Rental Income	295,840	245,568
Interest received	801,038	759,546
Income from agency services	75,378	55,255
Licences and permits	915	1,680
Government grants	67,847,230	36,445,809
Miscellaneous other revenue	-	17,761
	74,462,073	44,959,949

The amount included in revenue attributed to other income are as follows:

Administration and management fees received	53,895	156,350
Other income	92,760	189,326
Interest received - Investments	4,317,225	3,062,352
	4,463,880	3,408,028

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
18. Property Rates		
Rates received		
Municipal	<u>1,020,865</u>	<u>3,222,309</u>
Valuations		
Residential	90,725,900	90,725,900
Commercial	55,606,140	55,606,140
State	40,715,590	40,715,590
Small holdings and farms	17,000	17,000
Exempted	47,610,510	47,610,510
	<u>234,675,140</u>	<u>234,675,140</u>

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2004. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Rates are levied on an annual basis with the final date for payment being 30 September. Interest at 12% per annum is levied on rates outstanding two months after due date.

The basic rate was .391c per Rand (2008 -.0391c per Rand) on Land and 0.02352c per Rand (2008 - 0.02352c per Rand) on Improvements. The following rebates were granted : 40% for pensioners and government and 20% for residential properties.

The 2 towns Pudimoe & Taung has not been valuated and are charged a flat rate.

A new general valuation was implemented on 01 July 2009.

19. Service charges

Sale of electricity	1,414,076	1,225,626
Sale of water	224,634	202,763
Sewerage and sanitation charges	1,002,169	970,546
Refuse removal	1,349,717	1,312,435
	<u>3,990,596</u>	<u>3,711,370</u>

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
20. Government grants and subsidies		
Equitable Share	44,043,076	34,327,438
MIG	15,441,097	-
Department of Sport - Library	650,000	600,000
FMG	500,000	500,000
MSIG	735,000	1,018,371
DBSA Grant	934,057	-
Dept of Housing and Local Government	5,544,000	-
	67,847,230	36,445,809

Equitable Share

Current-year receipts	44,043,076	34,416,160
Conditions met - transferred to revenue	(44,043,076)	(34,416,160)
Conditions still to be met - transferred to liabilities	-	-

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigent receive a monthly subsidy of R 102.32 (2008: R 95.96), which is funded from this grant.

MSIG

Current-year receipts	735,000	734,000
Conditions met - transferred to revenue	(735,000)	(734,000)
Conditions still to be met - transferred to liabilities	-	-

This grant was used to assist in building capacity in the district and local municipalities to ensure that the new developmental system of local government is fully implemented.

MIG

Balance unspent at beginning of year	1,960,412	6,231,685
Current-year receipts	15,441,097	9,051,436
Conditions met - transferred to revenue	(15,401,098)	(13,322,709)
Conditions still to be met - transferred to liabilities	2,000,411	1,960,412

This grant was used to construct roads and sewerage infrastructure as part of the upgrading of informal settlements areas.

LIBRARY SUBSIDY

Current-year receipts	650,000	600,000
Conditions met - transferred to revenue	(650,000)	(600,000)
Conditions still to be met - transferred to liabilities	-	-

FMG

Current-year receipts	500,000	500,000
Conditions met - transferred to revenue	(500,000)	(500,000)

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
20. Government grants and subsidies (continued)		
Conditions still to be met - transferred to liabilities	<u>-</u>	<u>-</u>
This grant was used to promote and support reforms to financial management practices, including the modernisation of budgeting, financial management, accounting, monitoring systems and implementation of the Municipal Finance Management Act.		
DBSA Grant		
Current-year receipts	934,057	-
Conditions met - transferred to revenue	(934,057)	-
Conditions still to be met - transferred to liabilities	<u>-</u>	<u>-</u>
Dept of Housing and Local Government		
Current-year receipts	5,544,000	-
Conditions met - transferred to revenue	(5,198,520)	-
Conditions still to be met - transferred to liabilities	<u>345,480</u>	<u>-</u>
Taung Floods Damaged and Roads		
Balance unspent at beginning of year	<u>1,334,072</u>	<u>-</u>
21. Other income		
Administration and management fees received	53,895	156,350
Sundry income	92,760	189,326
	<u>146,655</u>	<u>345,676</u>

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
22. General expenses		
Advertising	353,817	339,210
Auditors remuneration	1,380,223	874,267
Bank charges	74,480	65,801
Cleaning	233,935	289,647
Computer expenses	2,221	72,837
Consulting and professional fees	925,704	890,058
Consumables	255,654	210,566
Donations	2,478	4,165
Entertainment	-	16,469
Insurance	425,852	421,114
Community development and training	1,716,991	336,458
Magazines, books and periodicals	10,861	7,585
Motor vehicle expenses	-	258
Fuel and oil	1,667,414	1,628,055
Postage and courier	18,859	11,175
Printing and stationery	187,702	326,445
Protective clothing	106,678	78,848
Project maintenance costs	639,173	541,883
Royalties and license fees	144,354	171,854
Security (Guarding of municipal property)	557,549	584,563
Staff welfare	-	4,925
Subscriptions and membership fees	343,634	124,677
Telephone and fax	1,660,902	1,625,245
Training	301,051	483,699
Travel - local	510,524	573,671
Title deed search fees	20,685	832
Grant Expenditure	7,730,437	4,333,871
Accommodation expenses	387,431	304,998
Catering expenses	345,463	473,209
Grant expenditure	2,098,188	2,087,509
Free services Indigent support	484,152	637,108
Library expenditure	181,826	-
Health and Safety	122,632	24,909
Valuation and zoning costs	1,921,456	330,184
Other expenses	140,932	25,120
Property only	353,489	147,131
	25,306,747	18,048,346

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
23. Employee related costs		
Basic	15,980,153	12,409,360
Bonus	912,003	633,416
Medical aid - company contributions	1,002,044	842,050
UIF	123,136	103,748
WCA	448,835	-
SDL	137,340	114,692
Other payroll levies	7,556	5,758
Leave pay provision charge	734,045	87,386
Car allowance	807,729	862,884
Housing benefits and allowances	157,874	101,771
Pension fund contributions	2,390,950	1,678,423
Standby allowances	89,913	56,256
Group life	3,736	39,499
Casual labour	24,100	165,790
	22,819,414	17,101,033

Remuneration of municipal manager

Annual Remuneration	329,316	575,000
Contributions to UIF, Medical and Pension Funds	4,791	5,750
Travel, motor car, accommodation, subsistence and other allowances	288,000	-
	622,107	580,750

This remuneration is included in Employee related costs as per Note 23.

Remuneration of chief finance officer

Annual Remuneration	338,880	480,000
Contributions to UIF, Medical and Pension Funds	4,512	4,800
Travel, motor car, accommodation, subsistence and other allowances	41,863	-
Leave	16,474	-
	401,729	484,800

This remuneration is included in Employee related costs as per Note 23.

Remuneration of Director Technical Services

Annual Remuneration	414,840	575,000
Performance Bonuses	36,000	-
Contributions to UIF, Medical and Pension Funds	5,646	4,800
Travel, motor car, accommodation, subsistence and other allowances	122,139	-
	578,625	579,800

This remuneration is included in Employee related costs as per Note 23.

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
23. Employee related costs (continued)		
Remuneration of Director community services		
Annual Remuneration	402,840	480,000
Contributions to UIF, Medical and Pension Funds	5,526	4,800
Travel, motor car, accommodation, subsistence and other allowances	147,749	-
	556,115	484,800
This remuneration is included in Employee related costs as per Note 23.		
Corporate and human resources (corporate services)		
Annual Remuneration	392,160	480,000
Performance Bonuses	32,230	-
Contributions to UIF, Medical and Pension Funds	5,419	4,800
Travel, motor car, accommodation, subsistence and other allowances	186,499	-
	616,308	484,800
This remuneration is included in Employee related costs as per Note 23.		
Remuneration of the director Land use and development		
Annual Remuneration	363,840	480,000
Contributions to UIF, Medical and Pension Funds	5,136	4,800
Travel, motor car, accommodation, subsistence and other allowances	178,265	-
	547,241	484,800
This remuneration is included in Employee related costs as per Note 23.		
24. Remuneration of councillors		
Executive Mayor	359,067	437,544
Mayoral Committee Members	2,628,033	-
Speaker	291,907	350,040
Councillors	3,709,760	7,242,885
Councillors' allowances	2,453,229	-
	9,441,996	8,030,469
25. Administrative expenditure		
Administration and management fees	468,617	473,620
26. Bad debts		
Contributions to bad-debt provision	-	1,231,101
27. Depreciation and amortisation		

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
27. Depreciation and amortisation (continued)		
Property, plant and equipment	3,245,037	3,460,686
28. Finance costs		
Late payment of tax	977,559	-
Other interest paid	277,502	825,702
	1,255,061	825,702
29. Auditors' remuneration		
Fees	1,380,223	874,267
30. Contracted Services		
Operating Leases	942,209	1,048,544
31. Bulk purchases		
Electricity	1,698,481	1,186,216
Water	239,374	316,373
	1,937,855	1,502,589
32. Cash generated from operations		
Surplus (deficit) before taxation	10,905,061	(5,833,027)
Adjustments for:		
Depreciation and amortisation	3,245,037	3,460,686
Interest received	(4,317,225)	(3,062,352)
Finance costs	1,255,061	825,702
Movements in provisions	654,652	158,692
Other non-cash items	(5,576,739)	10,778,506
Changes in working capital:		
Inventories	2,832	(186,534)
Trade and other receivables	203,581	(1,648,307)
Consumer debtors	3,308,628	(4,515,406)
Trade and other payables	594,201	2,395,824
VAT	(552,928)	(3,351,835)
Unspent conditional grants and receipts	1,374,071	1,960,412
	11,096,232	982,361

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
33. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
Property, plant and equipment	145,443,226	18,077,767
Not yet contracted for and authorised by accounting officer	5,427,054	-

This committed expenditure relates to plant and equipment and will be financed by available bank facilities, retained surpluses, Government Grants, existing cash resources, funds internally generated, etc.

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
--	-----------	-----------

34. Contingencies

1) BOITUMELO MAHLANGU V/S GTLM AND O.P. OLIPHANT CASE NO: 1541 / 2009

Councillor Boitumelo Mahlangu was removed by Council as the Mayor of Greater Taung Local Municipality but then she remained being a member of the Executive Council of the Municipality.

She there after challenged her removal at the high Court. The Court ruled that decision by Council to remove her as the Mayor is hereby set aside and she was awarded costs. A sum of R40,867.58 was duly paid to her Attorneys account. This judgment was passed on the 16 July 2009.

2) MEOKGO MATUBA V/S G T L M: CASE NO: J 930 / 09

Miss Meokgo Matuba was inter alia suspended by the Municipality from her position as the Municipal Manager. She subsequently thereafter challenged her suspension at the Labour Court and the court only ruled in so far as costs were concerned. Judgment was handed in her favor on the 14th of August 2009.

The matter will also be heard at the Commission for Conciliation, Mediation and Arbitration needless to mention that an Internal Disciplinary hearing has also unfolded.

3) COUNCILLOR MPHO SKWEIT V/S GREATER TAUNG LOCAL MUNICIPALITY / CASE NO: 233 / 07 /

Councillor Mpho Skweit was removed from the executive Council of the Municipality for an alleged act of misconduct. The afore mentioned Councillor has since instructed his Attorneys to institute legal action against the Municipality.

Judgment was held in favour of Councillor Mpho Skweit and he has since been reinstated to his former position as an Exco member with full benefits. The Court further awarded costs to Councillor Mpho Skweit and these costs were paid to his Attorneys who are Haarhoffs Inc.

4) GREATER TAUNG LOCAL MUNICIPALITY V/S KATLEGO GAORAEWE CASE NO: 814/2008

The Municipality has applied for an urgent Court interdict which purported to stop the above named respondent from continuing with the building of a structure without complying with the Municipal building regulations.

We have received a High Court Judgment against the respondent to pay to the Municipality all the legal fees incurred needless to mention that the matter is still not concluded (sub judice).

**6) GREATER TAUNG LOCAL MUNICIPALITY V/S REIVILO YOUTH FORUM AND OTHERS
CASE NO: 2507 / 08 / HIGH COURT MATTER**

The Municipality instituted civil proceedings against Reivilo Youth Forum and certain individuals who influenced the community to unlawfully occupy land which belongs to the Municipality. This portion of land is earmarked for the establishment of RDP Houses and a contractor has already been appointed and waiting to conduct geotechnical feasibility study.

The Municipality has appointed Attorneys to apply for an urgent Court interdict and at the present moment, the Supreme Court has ruled in our favor and awarded us an interim Court Order.

The matter is still pending.

OUTSTANDING INSURANCE CLAIMS

At 30 June 2009, certain insurance claims lodged with the Council's insurers were still outstanding. There exists an uncertainty with regards to: 1) if the claims will be paid, 2) When the claims will be paid and 3) How much of

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
--	-----------	-----------

34. Contingencies (continued)

the claimed amounts will be paid. The outstanding insurance claims can be summarised as follows:

Claim Number	Loss Date	Details	Amount Claimed
SNA48K902708	08-Mar-09	Laptop Stolen	7,404.30
SNA48K903560	25-Mar-09	Laptop Stolen	12,000.00
SNA48J814705	28-Nov-08	FFR198NW	35,000.00
SNA48K901817	12-Jan-09	DFX097NW	30,000.00
TOTAL			<u>84,404.30</u>

35. First-time adoption of International Financial Reporting Standards

The municipality has applied GRAP 1, First-time adoption of Generally Recognised Accounting Practice, to provide a starting point for the reporting under Generally Recognised Accounting Practice. On principle these standards have been applied retrospectively and the 2008 comparatives contained in these annual financial statements differ from those published in the annual financial statements published for the year ended 30 June 2008.

The date of transition was 1 July 2009.

36. Unauthorised expenditure

Unauthorised expenditure	-	4,804,808
--------------------------	---	-----------

These unauthorised expenditure relates to overspenditure with regard to expenditure.

37. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure - SARS penalties and interest	34,009	-
Fruitless and wasteful expenditure - Interest paid	943,550	-
	<u>977,559</u>	<u>-</u>

PAYE, SDL and UIF were paid late for April 2009, resulting in the abovementioned penalties and interest.

In the case between Mr DK Mogashoa vs Greater Taung LM, the municipality was ordered to pay Mr DK Mogashoa. The amount were paid late, resulting in the abovementioned interest paid.

38. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	175,108	124,677
Amount paid - current year	(175,108)	(124,677)
	<u>-</u>	<u>-</u>

Audit fees

Current year subscription / fee	1,380,223	874,267
Amount paid - current year	(1,380,223)	(874,267)
	<u>-</u>	<u>-</u>

PAYE and UIF

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009 R	2008 R
38. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Current year subscription / fee	4,019,672	3,197,063
Amount paid - current year	(4,019,672)	(3,197,063)
	<u>-</u>	<u>-</u>

Pension and Medical Aid Deductions

Current year subscription / fee	5,614,919	2,531,111
Amount paid - current year	(5,614,919)	(2,531,111)
	<u>-</u>	<u>-</u>

VAT

VAT receivable	<u>5,736,912</u>	<u>5,183,984</u>
----------------	------------------	------------------

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2009:-

30 June 2009	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
BT Moiloa	66	260	326
PW Kgosieng	141	-	141
TM Makhubo	139	217	356
	<u>346</u>	<u>477</u>	<u>823</u>
 30 June 2008	 Outstanding less than 90 days R	 Outstanding more than 90 days R	 Total R
TM Makhubo	2,238	1,661	3,899
A Blaauw	22,416	21,599	44,015
A Blaauw	4,117	3,544	7,661
BT Moiloa	889	280	1,169
PW Kgosieng	5,015	4,317	9,332
OJ Phemelo	61	-	61
KM Kgosieng	(196)	-	(196)
	<u>34,540</u>	<u>31,401</u>	<u>65,941</u>

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

39. Actual operating expenditure versus budgeted operating expenditure

Refer to Appendix E(1) for the comparison of actual operating expenditure versus budgeted expenditure.

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Notes to the Annual Financial Statements

	2009	2008
	R	R

40. Actual capital expenditure versus budgeted capital expenditure

Refer to Appendix E(2) for the comparison of actual capital expenditure versus budgeted expenditure.

41. Non-Compliance with S126(a)

Section 126(a) of the MFMA determine that the Accounting Officer of the municipality must prepare the financial statements of the municipality and submit the statements to the Auditor General for audit, within two months after the end of the financial year to which those statements relate.

The municipality only submit the financial statements for audit on 06 October 2009, resulting in the non-compliance with S126(a).

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Supplementary Information

Appendix A: Schedule of external loans

Greater Taung Local Municipality
APPENDIX A

GREATER TAUNG LOCAL MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

Loan Number	Redeemable	Balance at 30 June 2008	Received during the period	Redeemed written off during the period	Balance at 30 June 2009	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
		Rand	Rand	Rand	Rand	Rand	Rand
LONG-TERM LOANS		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
STRUCTURED LOANS		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
FUNDING FACILITY		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-

Greater Taung Local Municipality
APPENDIX A

GREATER TAUNG LOCAL MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

Loan Number	Redeemable	Balance at 30 June 2008	Received during the period	Redeemed written off during the period	Balance at 30 June 2009	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
TOTAL EXTERNAL LOANS		-	-	-	-	-	-

Please note that the municipality did not have external loans at 30 June 2009.

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Supplementary Information

Appendix B: Analysis of Property, plant and equipment

GREATER TAUNG LOCAL MUNICIPALITY: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009	
Cost/Revaluation	Accumulated Depreciation
1. Land	
2. Buildings	
3. Plant and equipment	
4. Intangible assets	
5. Other non-current assets	
6. Total	

[illegible]

Cost/Revaluation

Beach Improvements
 Sewerage Mains & Purif
 Electricity Mains
 Electricity Peak Load Equip
 Water Mains & Purification
 Reservoirs – Water
 Water Meters
 Water Mains

Accumulated Depreciation

Page 52

APPENDIX B

June 2009

GREATER TAUNG LOCAL MUNICIPALITY: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009
Cost/Revaluation **Accumulated Depreciation**

Opening Balance Rand	Additions Rand	Under Construction Rand	Disposals Rand	Closing Balance Rand	Opening Balance Rand	Additions Rand	Disposals Rand	Closing Balance Rand	Carrying Value Rand	Budget Additions Rand
----------------------------	-------------------	-------------------------------	-------------------	----------------------------	----------------------------	-------------------	-------------------	----------------------------	---------------------------	-----------------------------

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009
Supplementary Information

Appendix C: Segmental analysis of Property, plant and equipment

APPENDIX C

June 2009

GREATER TAUNG LOCAL MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009

Cost/Revaluation

Accumulated Depreciation

	Opening Balance Rand	Additions Rand	Under Construction Rand	Disposals Rand	Closing Balance Rand	Opening Balance Rand	Additions Rand	Disposals Rand	Closing Balance Rand	Carrying Value Rand
Executive & Council	-	-	-	-	-	-	-	-	-	-
Finance & Admin	-	-	-	-	-	-	-	-	-	-
Planning & Development	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Community & Social Services	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Sport & Recreation	-	-	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-
Road Transport	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009
Supplementary Information

Appendix D: Segmental Statement of Financial Performance

Statement of Financial Performance
June 2009

GREATER TAUNG LOCAL MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED[illegible][illegible]

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009
Supplementary Information

Appendix E(1): Actual versus Budget (Revenue and Expenditure)

APPENDIX E(1)

Statement of Financial Performance

Monthly Rep. Per.

Sort Rows by Mapping Numbers

June 2009

	Yearly												
	GTLM	GTLM		%	GTLM		%	GTLM	GTLM	GTLM	GTLM	GTLM	GTLM
	Current year	Prior Year #			Current year			Current year	Prior Year #	Current year	Prior Year #	Current year	Prior Year
	2008	1 2007			2008			2008	1 2007	2008	1 2007	2008	1 2007
	Monthly	Monthly			Monthly			Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
	Rep. Per.	Rep. Per.			Rep. Per.			Rep. Per.	Rep. Per.	Rep. Per.	Rep. Per.	Rep. Per.	Rep. Per.
	Act. Bal.	Act. Bal.	Variance		Bud. Amt	Variance		Act. Bal.	Act. Bal.	Act. Bal.	Act. Bal.	Act. Bal.	Act. Bal.
	June	June			June			June	June	June	June	June	June
	Year to Date	Per Month			Per Month			Year to Date	Year to Date	Year to Date	Year to Date	Year to Date	Year to Date
	R'000	R'000	R'000	Var	R'000	R'000	Var	R'000	R'000	R'000	R'000	R'000	R'000
Revenue													
Property rates	1,021	3,222	(2,201)	(68.3)	-	1,021	31.7	1,021	3,222	1,021	-	-	3,222
Property rates - penalties imposed and collection	407	475	(68)	(14.3)	-	407	85.7	407	475	407	-	-	475
Service charges	3,991	3,711	280	7.5	-	3,991	107.5	3,991	3,711	3,991	-	-	3,711
Rental Income	296	246	50	20.3	-	296	120.3	296	246	296	-	-	246
Interest received 1	801	760	41	5.4	-	801	105.4	801	760	801	-	-	760
Interest received 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	1	2	(1)	(50.0)	-	1	50.0	1	2	1	-	-	-
Sales of housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Income from agency services	75	55	20	36.4	-	75	136.4	75	55	75	-	-	55
Government grants	67,847	36,446	31,401	86.2	-	67,847	186.2	67,847	36,446	67,847	-	-	36,446
Public contributions, Donated and contributed property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Revenue UD1	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Revenue UD2	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading and general (Filtered)	-	-	-	-	-	-	-	-	-	-	-	-	-
Farming only (Filtered)	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading and general (Filtered)	23	26	(3)	(11.5)	-	23	88.5	23	26	23	-	-	26
Farming only (Filtered)	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction contracts	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty income	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous other revenue	-	18	(18)	(100.0)	-	-	-	-	18	-	-	-	-
Revenue 1	-	-	-	-	-	-	-	-	-	-	-	-	-
	74,462	44,961	29,501	65.6	-	74,462	165.6	74,462	44,961	74,462	-	-	44,961
Other income													
Other income	147	346	(199)	(57.5)	-	147	42.5	147	346	147	-	-	346
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-

APPENDIX E(1)

Statement of Financial Performance

Monthly Rep. Per.

Sort Rows by Mapping Numbers

June 2009

	Yearly											
	GTLM	GTLM		%	GTLM		%	GTLM	GTLM	GTLM	GTLM	GTLM
	Current year	Prior Year #			Current year			Current year	Prior Year #	Current year	Prior Year #	Current year
	2008	1 2007			2008			2008	1 2007	2008	1 2007	2008
	Monthly	Monthly			Monthly			Monthly	Monthly	Monthly	Monthly	Monthly
	Rep. Per.	Rep. Per.			Rep. Per.			Rep. Per.	Rep. Per.	Rep. Per.	Rep. Per.	Rep. Per.
	Act. Bal.	Act. Bal.	Variance		Bud. Amt	Variance		Act. Bal.	Act. Bal.	Act. Bal.	Act. Bal.	Act. Bal.
	June	June			June			June	June	June	June	June
	Year to Date	Per Month			Per Month			Year to Date	Year to Date	Year to Date	Year to Date	Year to Date
Interest received - investment	4,317	3,062	1,255	41.0	-	4,317	141.0	4,317	3,062	4,317	-	3,062
Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Other asset 1	-	-	-	-	-	-	-	-	-	-	-	-
Other asset 2	-	-	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Profit and loss on exchange differences	-	-	-	-	-	-	-	-	-	-	-	-
Gains or losses on biological assets and agricultural produce (Filtered)	-	-	-	-	-	-	-	-	-	-	-	-
Gains or losses on biological assets and agricultural produce	-	-	-	-	-	-	-	-	-	-	-	-
Income from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	-
Cost of sales	4,464	3,408	1,056	31.0	-	4,464	131.0	4,464	3,408	4,464	-	3,408
Total Revenue	78,926	48,369	30,557	63.2	-	78,926	163.2	78,926	48,369	78,926	-	48,369
Expenses												
Employee related costs	(22,819)	(17,101)	(5,718)	33.4	-	(22,819)	133.4	(22,819)	(17,101)	(22,819)	-	(17,101)
Remuneration of councillors	(9,442)	(8,030)	(1,412)	17.6	-	(9,442)	117.6	(9,442)	(8,030)	(9,442)	-	(8,030)
Bad debts	-	(1,231)	1,231	100.0	-	-	-	-	(1,231)	-	-	(1,231)
Collection costs	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	(3,245)	(3,461)	216	(6.2)	-	(3,245)	93.8	(3,245)	(3,461)	(3,245)	-	(3,461)
Amortisation	-	-	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	(2,604)	(2,479)	(125)	5.0	-	(2,604)	105.0	(2,604)	(2,479)	(2,604)	-	(2,479)
Finance costs	(1,255)	(826)	(429)	51.9	-	(1,255)	151.9	(1,255)	(826)	(1,255)	-	(826)
Bulk purchases	(1,938)	(1,503)	(435)	28.9	-	(1,938)	128.9	(1,938)	(1,503)	(1,938)	-	(1,503)
Contracted Services	(942)	(1,049)	107	(10.2)	-	(942)	89.8	(942)	(1,049)	(942)	-	(1,049)
Grants and subsidies paid	-	-	-	-	-	-	-	-	-	-	-	-
Cost of housing sold	-	-	-	-	-	-	-	-	-	-	-	-

APPENDIX E(1)

Statement of Financial Performance

Monthly Rep. Per.

Sort Rows by Mapping Numbers

June 2009

	Yearly											
	GTLM	GTLM		%	GTLM		%	GTLM	GTLM	GTLM	GTLM	GTLM
	Current year	Prior Year #			Current year			Current year	Prior Year #	Current year	Prior Year #	Current year
	2008	1 2007			2008			2008	1 2007	2008	1 2007	2008
	Monthly	Monthly			Monthly			Monthly	Monthly	Monthly	Monthly	Monthly
	Rep. Per.	Rep. Per.			Rep. Per.			Rep. Per.	Rep. Per.	Rep. Per.	Rep. Per.	Rep. Per.
	Act. Bal.	Act. Bal.	Variance		Bud. Amt	Variance		Act. Bal.	Act. Bal.	Act. Bal.	Act. Bal.	Act. Bal.
	June	June			June			June	June	June	June	June
	Year to Date	Per Month			Per Month			Year to Date	Year to Date	Year to Date	Year to Date	Year to Date
General expenses	(25,775)	(18,521)	(7,254)	39.2	-	(25,775)	139.2	(25,775)	(18,521)	(25,775)	-	(18,521)
Employee related costs	-	-	-	-	-	-	-	-	-	-	-	-
Farming only	-	-	-	-	-	-	-	-	-	-	-	-
Surplus or deficit on exchange differences	-	-	-	-	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Other asset 1	-	-	-	-	-	-	-	-	-	-	-	-
Other asset 2	-	-	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Fair value adjustments	-	-	-	-	-	-	-	-	-	-	-	-
	(68,020)	(54,201)	(13,819)	25.5	-	(68,020)	125.5	(68,020)	(54,201)	(68,020)	-	(54,201)
Operating profit	10,906	(5,832)	16,738	287.0	-	10,906	187.0	10,906	(5,832)	10,906	-	(5,832)
Other revenue and costs												
Restructuring	-	-	-	-	-	-	-	-	-	-	-	-
Gains or losses on biological assets and agricultural produce	-	-	-	-	-	-	-	-	-	-	-	-
Income from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	-
Profit and loss on sale of non-current assets held for sale and net assets of disposal groups	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Net surplus/ (deficit) for the year	10,906	(5,832)	16,738	287.0	-	10,906	187.0	10,906	(5,832)	10,906	-	(5,832)

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Supplementary Information

Appendix E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)

APPENDIX E(2)

June 2009

GREATER TAUNG LOCAL MUNICIPALITY: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2009

	Additions	Under Construction	Closing Balance	Budget	Variance	Variance	Explanation of Significant Variances greater than 5% versus Budget
	Rand	Rand	Rand	Rand	Rand	%	
Land/ Heritage							
Historical Buildings	-	-	-	-	-	-	(Explanations to be recorded)
Painting & Art Galleries	-	-	-	-	-	-	
	-	-	-	-	-	-	-
Buildings							
Land	-	-	-	-	-	-	
Buildings	-	-	-	-	-	-	
	-	-	-	-	-	-	-
Leasehold property							
Sewerage Mains & Purify	-	-	-	-	-	-	
	-	-	-	-	-	-	-
Plant and machinery	-	-	-	-	-	-	-
Furniture and fixtures	-	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-	-
IT equipment	-	-	-	-	-	-	-
Computer software	-	-	-	-	-	-	-
Housing Develop Fund							
Housing Rental 1	-	-	-	-	-	-	
Housing Rental 2	-	-	-	-	-	-	
	-	-	-	-	-	-	-
Infrastructure							
Drains	-	-	-	-	-	-	
Roads	-	-	-	-	-	-	
Beach Improvements	-	-	-	-	-	-	
Sewerage Mains & Purif	-	-	-	-	-	-	
Electricity Mains	-	-	-	-	-	-	
Electricity Peak Load Equip	-	-	-	-	-	-	
Water Mains & Purification	-	-	-	-	-	-	
Reservoirs – Water	-	-	-	-	-	-	
Water Meters	-	-	-	-	-	-	
Water Mains	-	-	-	-	-	-	
	-	-	-	-	-	-	-

APPENDIX E(2)

June 2009

	Additions	Under	Closing	Budget	Variance	Variance	Explanation of Significant Variances greater than 5% versus Budget
	Rand	Construction	Balance	Rand	Rand	%	
	Rand	Rand	Rand	Rand	Rand	%	
Community							
Parks & Gardens	-	-	-	-	-	-	
Libraries	-	-	-	-	-	-	
Recreation Grounds	-	-	-	-	-	-	
Civic Buildings	-	-	-	-	-	-	
	-	-	-	-	-	-	-
Other property, plant and equipment							
Landfill sites	-	-	-	-	-	-	
Office Equipment	-	-	-	-	-	-	
Furniture & Fittings	-	-	-	-	-	-	
Bins and Containers	-	-	-	-	-	-	
Emergency Equipment	-	-	-	-	-	-	
Motor vehicles	-	-	-	-	-	-	
Fire engines	-	-	-	-	-	-	
Refuse tankers	-	-	-	-	-	-	
Computer equipment	-	-	-	-	-	-	
Councillors Regalia	-	-	-	-	-	-	
Conservancy tankers	-	-	-	-	-	-	
Watercraft	-	-	-	-	-	-	
Land	-	-	-	-	-	-	
Buildings	-	-	-	-	-	-	
	-	-	-	-	-	-	-
Total							
Buildings	-	-	-	-	-	-	
Leasehold property	-	-	-	-	-	-	
Plant and machinery	-	-	-	-	-	-	
Furniture and fixtures	-	-	-	-	-	-	
Motor vehicles	-	-	-	-	-	-	
Office equipment	-	-	-	-	-	-	
IT equipment	-	-	-	-	-	-	
Computer software	-	-	-	-	-	-	
Housing Develop Fund	-	-	-	-	-	-	
Infrastructure	-	-	-	-	-	-	
Community	-	-	-	-	-	-	
Other property, plant and equipment	-	-	-	-	-	-	
	-	-	-	-	-	-	-

APPENDIX E(2)
June 2009

Additions	Under	Closing	Budget	Variance	Variance	Explanation of Significant Variances greater than 5% versus Budget
Rand	Construction	Balance	Rand	Rand	%	
	Rand	Rand				

Greater Taung Local Municipality
Annual Financial Statements for the year ended 30 June 2009

Supplementary Information

Appendix F: Disclosure of Grants and subsidies in terms of the Municipal Finance Management Act

APPENDIX F

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

June 2009

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies delayed / withheld					Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for noncompliance
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		Yes/ No	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		No	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.